SHELTER-AFRIQUE
NAIROBI, KENYA

Analysis of the activities of a housing finance institution in Africa

Credit rating note **June 2016**

Category of values	Rating scale	Currency	Current rating	Previous rating	Outlook
Long-term	Regional	CFA	**A**	**A**	**Stable**
Short-term	Regional	CFA	**A1**	**A1**	**Stable**

Bloomfield Investment Corporation

Tel: + (225) 20 21 57 47/+ (225) 20 21 57 49
Fax: + (225) 20 21 57 51

Soraya DIALLO-TOURE, Chief of mission
s.toure@bloomfield-investment.com

Frederique EKRA, Senior Financial Analyst
f.ekra@bloomfield-investment.com

Joeata KETY, Senior Financial Analyst
j.kety@bloomfield-investment.com

www.bloomfield-investment.com

Basic financial data

In thousands US$	2014*	2015
Total assets	289 304	346 070
Loans	99 514	158 431
Equity	105 903	111 508
Liquid assets	60 906	40 834
Loans and advances	216 854	281 349
Interest and similar income	24 059	25 143
Net interest margin	10 754	12 249
Net result	761	2 124

*Adjusted result

Presentation

Shelter-Afrique is a Multilateral Development Bank (MDB) established in 1982.

Its corporate object is to promote in various forms (direct financing, acquisition of stake, joint venture, technical assistance) housing finance and urban development in the forty-four (44) African shareholder countries.

Its authorized capital is one (1) billion US dollars, with a paid up capital of USD 62.2 million.

Justification of the rating and outlooks

Long term: High credit quality.
Protection factors are good. However, risk factors are more variable and more significant in times of economic pressure.

Short-term: There is very high assurance for timely repayment. Liquidity factors are strong and are supported by good protection factors of key elements. Risk factors are very minor.

Key performance factors

The rating is based on the following positive factors:

- High-demand in the real estate sector;
- Assumed support from shareholders;
- Continuation of the regionalization strategy, with an office opened in Abidjan;
- Slightly higher level of activity, which induces an increase in the net banking income;
- Diversification of investments;
- Improved risk management having led to a decline in the rate of degradation of the loan portfolio;
- Improving profitability;
- Economic revitalization in the WAEMU region;
- Ongoing improvement of governance.

Below are the major rating factors regarded as negative:

- Degradation of the debt ratio and loss of financial autonomy;
- Liquidity level to be restored;
- Equity adequacy needs to be strengthened to develop the business;
- Access to finance remains difficult for private companies and SME's;
- High security risk in the country of operation.